

HOUSE BILL NO. 1371

Introduced by

Representatives Thomas, D. Anderson, Fisher, Hagert, Headland, Lefor

Senators Conley, Hogue, Luick, Wanzek

1 A BILL for an Act to amend and reenact section 10-06.1-01 and subsection 2 of section
2 10-06.1-12 of the North Dakota Century Code, relating to agricultural definitions, ownership
3 exceptions for beekeeping, agriculture support services, cattle backgrounding and feedlot
4 operations, and raising or producing of livestock by persons that have limited landholdings.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 10-06.1-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-06.1-01. Definitions.**

9 For the purposes of this chapter, unless the language or context clearly indicates that a
10 different meaning is intended:

- 11 1. "Agricultural support services" means the business of providing aerial or surface
12 application services for others of seed, fertilizer, pesticides, soil amendments, or
13 custom harvesting.
- 14 2. "Aquaculture agriculture" means the breeding, growing, or harvesting of fish or the
15 growing of aquatic plants or crops.
- 16 3. "Beekeeping" means the breeding or rearing of bee colonies or the owning,
17 maintenance, or management of bee apiaries.
- 18 4. "Cattle backgrounding" means the feeding or growing of cattle from weaning until the
19 cattle enter a cattle finishing feedlot.
- 20 5. "Cattle finishing feedlot" means a parcel of land which contains a commercial
21 operation, which is operated as a separate activity and not incidental to farming, for
22 the feeding or growing of cattle for the purpose of expeditiously preparing the cattle for
23 market.

- 1 6. "Custom harvesting" means the business of providing crop harvesting services for
2 others.
- 3 7. a. "Farming or ranching" means ~~cultivating~~:
- 4 (1) Cultivating land for production of agricultural crops or livestock; ~~or the~~
5 (2) The raising or producing of livestock or livestock products, poultry or poultry
6 products, milk or dairy products, or fruit or horticultural products. ~~It~~
- 7 b. Notwithstanding subdivision a, "farming or ranching" does not include:
- 8 (1) Beekeeping;
9 (2) Agricultural support services;
10 (3) The production of timber or forest products, ~~the~~;
11 (4) The growing or processing of marijuana under chapter 19-24.1; ~~;~~
12 (5) Cattle backgrounding or cattle finishing feedlot operations, or the raising or
13 producing of poultry, poultry products, milk, dairy products, swine, or swine
14 products, by a person that has agricultural landholding not exceeding one
15 hundred sixty acres [64.75 hectares];
16 (6) Aquaculture agriculture, hydroponic agriculture, or greenhouse agriculture
17 by a person that has agricultural landholding not exceeding forty acres
18 [16.19 hectares]; or a
19 (7) A contract where~~by~~under which a processor or distributor of farm products
20 or supplies provides grain, harvesting, or other farm services.
- 21 ~~2-8.~~ "Farming or ranching corporation" means a farm or ranch corporation, joint-stock
22 company, or association which, at all times, complies with the requirements of this
23 chapter.
- 24 ~~3-9.~~ "Farming or ranching limited liability company" means a farm or ranch limited liability
25 company which, at all times, complies with the requirements of this chapter.
- 26 10. "Greenhouse agriculture" means the growing of plants or crops primarily under a
27 controlled environment in a sheltered structure with walls and a roof, both made
28 primarily of transparent or translucent material.
- 29 11. "Hydroponic agriculture" means the growing of plants or crops with plant root
30 structures situated in sand, gravel, or a liquid nutrient solution rather than in soil.

- 1 ~~4.12.~~ "Nonprofit organization" means an organization or trust that has tax-exempt status
2 under at least one of the following sections of the Internal Revenue Code:
- 3 a. An organization that was in existence on December 31, 1984, and that is
4 organized and operated exclusively for religious, charitable, scientific, testing for
5 public safety, literary, or educational purposes, or for the prevention of cruelty to
6 children or animals under section 501(c)(3), or is a domestic fraternal
7 organization under section 501(c)(10).
- 8 b. A charitable, religious, educational, or scientific organization classified as either a
9 private foundation or as a public charity having status as an organization
10 described in section 509(a)(1) or (3).
- 11 c. A trust described in section 4947 for which a deduction is allowable under
12 section 170.
- 13 ~~5.13.~~ "Operating the farm or ranch" means engaging in personal labor or management
14 activities on or off the farm or ranch, which contribute to the farm or ranch operations.

15 **SECTION 2. AMENDMENT.** Subsection 2 of section 10-06.1-12 of the North Dakota
16 Century Code is amended and reenacted as follows:

- 17 2. Each shareholder or member must be related to each of the other shareholders or
18 members within one of the following degrees of kinship or affinity: parent, son,
19 daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, brother,
20 sister, uncle, aunt, nephew, niece, great-grandparent, great-grandchild, first cousin,
21 second cousin, or the spouse or surviving spouse of a person so related.